AGENDA ITEM SUMMARY SHEET

City of Rollingwood

Meeting Date: August 19, 2026

Submitted By:

Staff

Agenda Item:

Discussion and possible action on adoption of a resolution authorizing the defeasance and redemption of a portion of the outstanding City of Rollingwood, Texas, General Obligation Bonds, Series 2023; approving and authorizing the execution of an escrow agreement; resolving other matters incident and related thereto; and providing an effective date

Description:

In 2023, the City issued $3,885,000 in General Obligation Bonds, Series 2023. The proposed resolution, as drafted by the City's bond counsel, authorizes the City to defease and ultimately redeem a portion of those outstanding bonds in order to reduce future interest payments, aggregate debt service requirements, and the City's outstanding legal debt.

The bonds proposed for defeasance consist of $275,000 in principal from the Series 2023 2049 term bond, which carries an interest rate of 4.125%. This amount consists of $190,000 of the term bond stated to mature in 2049 and $85,000 associated with the 2048 mandatory sinking fund redemption.

Approval of the resolution would:

- Authorize the defeasance and redemption of the identified Series 2023 bonds.
- Authorize the transfer of lawfully available City funds sufficient to discharge the defeased obligations to **BOKF, N.A.**, acting as escrow agent.
- Approve the related escrow agreement and authorize the execution of the documents and the taking of other actions necessary to complete the transaction.
- Authorize required notices of defeasance and redemption and, if necessary, engagement of a verification agent to confirm that funds deposited into escrow are sufficient to pay the obligations.

Once deposited, the escrowed funds and securities will be irrevocably pledged to payment of the principal and interest on the defeased bonds. Any funds remaining in the escrow after final payment would be returned to the City.

Action Requested:

To consider approving Resolution No. 2026-08-19-13 authorizing the defeasance and redemption of the identified portion of the City's General Obligation Bonds, Series 2023, and approving the related escrow agreement.

Fiscal Impacts:

Passage of this proposed resolution will reduce future interest expenses for the City and reduce the total amount of the City's outstanding debt.

Attachments:

- Preliminary Defeasance Numbers
- Resolution - Bond Defeasance